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FISCAL IMPACT STATEMENT

LS 6386

BILL NUMBER: HB 1058

NOTE PREPARED: Dec 18, 2011

BILL AMENDED:

SUBJECT: Adoption of Budget for Reorganized School.

FIRST AUTHOR: Rep. Baird

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill permits two or more school corporations to publish notices, hold public hearings, and take final action for the adoption of property tax levies, property tax rates, and a budget for the reorganized school corporation after the voters approve a plan of reorganization in a general election.

Effective Date: July 1, 2012.

Explanation of State Expenditures: The Department of Local Government Finance (DLGF) may have some additional administrative work if schools corporations were to utilize this process.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill allows two or more schools that are consolidating to build their budget as a single school corporation instead of individually after the current statutory deadlines for the following calendar year. There could be an increase in cost of publishing notices in the local newspapers since the schools would have already adopted and published separate budgets and tax rates, and then after the election they could develop budgets and tax rates for the reorganized school corporation.

Background: If the consolidated school corporations decide to adopt budgets, rates, and levies for the consolidated school corporation, then they would have to publish notices before November 24 and adopt the tax levies, rates, and budgets before December 6. The county auditor is then required to certify the adopted property tax levies, rates, and budgets before December 8 for the following calendar year.

Explanation of Local Revenues:

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Local schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.